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California Focus: A tax credit that can make a difference

The EITC is aimed at lower-income taxpayers, many unaware they're eligible

By MARIA SHRIVER
California First Lady

California is often considered the land of opportunity, a destination for dreamers and for innovators, where people can find hope and live out their aspirations. California is a leader in our nation and the world in science, technology, entertainment and beyond.

Yet, the reality is that there are too many working families who struggle day to day to make ends meet, to provide their children with enough food, clothing or a place they're proud to call home. I'm coming to Santa Ana to launch a statewide effort to connect Californians to a powerful resource that often goes unused, the Earned Income Tax Credit.

The Earned Income Tax Credit, a refundable federal income tax credit for low-income individuals and families, can put up to \$4,500 in the pockets of working parents who earn up to \$38,348 a year. These refunds lift more children out of poverty than any federal program. It's our largest public resource for low-income families.

There's only one problem. A lot of people who could get the EITC don't know to apply for it. Orange County residents didn't claim an estimated \$69 million in EITC refunds last year; 30,000 local families may have missed out.

We need these dollars here in California. We can't leave them sitting in Washington, D.C.

Today at Santa Ana College we'll start getting the word out about this important resource and helping people apply for it. I want to kick this effort off in Santa Ana to build on all the great work that is done here to help people get the EITC.

Bob Cohen, executive director of the Legal Aid Society of Orange County, has pioneered new ways to make sure local residents get all the tax credits they've earned. He created www.Icanefile.org, a free and easy-to-use Web site to help low- and moderate-income people prepare their tax returns. It's designed for people who don't use computers.

More than 6,500 people have used ICanEFile to receive more than \$18 million in refunds. People have written to the Web site and commented, "I feel so good for doing something for my family and doing it right" and, "All single mothers should use this."

Until last year, La Habra resident Deborah Archuleta was one of those single mothers missing out. With three children at home, Deborah works hard as a dispatcher with JC Penney but still has a hard time stretching her paycheck to cover all her expenses. She came to the Legal Aid Society of Orange County when she got a notice in her child-support check that she could get her taxes prepared for free there. She came in and learned she would receive an EITC refund of \$4,112.

"It helped me cover the rent and buy clothes for the kids," Arculeta said. "And I wasn't as stressed out all the time."

So come on down to the Santa Ana College today from 12-7 p.m. If you earn less than \$38,348, you can get your taxes done for free. We'll make sure you get all the tax credits you're eligible for. And we'll have over 50 other community programs there to help you find affordable child care, housing, energy bill assistance and much more.

I'm not alone in launching this EITC Initiative. Expect to hear about it when you tune in to Univision and Black Entertainment Television, our statewide media partners. And Legal Services organizations and United Ways across the state will be doing the day-to-day work of helping families complete their taxes for free. Banks and credit unions are going to open free savings accounts for people so that they can save some of their refunds. Next year we hope to have even more partners.

Will you join us? Rip out this article and give it to anyone you think might be eligible. Or give them this phone number: 1-888-3-MY REFUND or 1-866-9-MI DINERO. We've set up California's first statewide toll-free hot line so people can learn about the EITC and locate free tax-preparation sites near them. I'll be working with my partners to put on other events throughout the state up until the April 16 tax-filing deadline.